

DEPARTMENT OF EMPLOYEE TRUST FUNDS
INCOME CONTINUATION INSURANCE ADMINISTRATION MANUAL-STATE

CHAPTER 4 — EMPLOYEE AND EMPLOYER PREMIUMS

- 400 Basis for Premium Contribution Rates**
- 401 Employee Monthly Premium Rates – State Employees**
- 402 Employee Monthly Premium Rates – UW Faculty**
- 403 Calculating Employer Premium Share**
- 404 Annual Premium Update**

400 Basis for Premium Contribution Rates

The gross amount of Income Continuation Insurance (ICI) premiums for State employees is based upon their earnings level and total accumulation of unused sick leave as credited in the last complete payroll period of the previous calendar year. State employees not earning sick leave will have the premium based on their earnings level, but they are not eligible for State share of premium; this includes blind employees of WISCRAFT.

UW faculty's gross amount of ICI premium is based upon their earnings level and their selected elimination period of 30, 90, 125, or 180 days.

The following provides more detail on the criteria upon which ICI premium contribution rates are based:

A. EARNINGS:

12-Month Employee – means the basic salary, excluding overtime, which is in effect at the time the person becomes insured. Earnings include permanent add-on pay awarded to an employee who holds certain educational degrees, certifications, licenses or credentials, but will not include temporary additional pay such as night differential, weekend differential, or income from any other sources.

Less than 12-Month Employee with Prior Calendar Year's Earnings – means the earnings from the prior calendar year rounded to the next higher thousand and divided by twelve for those employed on a seasonal or academic year appointment of less than twelve calendar months, or in a project or limited term capacity.

Less than 12-Month Employee without Prior Calendar Year's Earnings – means projected earnings. Whenever an employee does not receive State project, limited term, seasonal or academic year earnings for all of the entire preceding calendar year or resumes State service after an interruption of such employment extending three months or more, the employer representative must estimate the earnings to be received during the ensuing twelve months rounded to the next higher thousand and divided by twelve to determine the monthly basis for earnings. Projected earnings shall not continue to be a basis for employee contributions beyond the ensuing calendar year.

When hired as a new employee or when there is a change in an employee's percentage of appointment (i.e., change from half time to full time employment), a new earnings base is applicable either via a projection of earnings or earnings in effect at that time.

B. SICK LEAVE ACCUMULATION – STATE EMPLOYEES

Permanent, full-time State employees earn sick leave at a rate of five hours per pay period. The total accumulation of unused sick leave as credited in the last complete payroll period of the previous calendar year dictates which premium category is used to calculate ICI premium rates and determine eligibility for deferred enrollment.. The premium categories and their respective minimum sick leave accumulations are as follows:

<u>Premium Category</u>	<u>Minimum Sick Leave Hours</u>
1	0 hours (less than 23 days)
2	184 hours (23 – 64 days)
3*	80 hours (at least 10 days)
4	520 hours (65 – 90 days)
5	728 hours (91 – 130 days)
6	1040 hours (over 130 days)

***Premium Category 3** – Enrollment in premium category 3 is available when a full-time employee initially accumulates 80 hours of sick leave as of the end of the last complete payroll period in the preceding calendar year. The employee will remain in premium category 3 only as long as 80 hours of sick leave were accumulated in the previous year; premium category 3 is not a permanent premium category.

Example: Employee accumulates 80 hours of sick leave (premium category 3) for the first time and enrolls in ICI through the deferred coverage provision. The following year accumulated sick leave falls below 80 hours. The employee is no longer eligible for premium category 3, since premium category 3 is not a permanent premium category. The employee will be required to pay the entire premium, based upon their accumulated sick leave.

Permanent part-time and seasonal employees' accumulated sick leave is prorated to determine eligibility for deferred enrollment in premium category 3. In many cases a part-time or seasonal employee may work a greater or lesser number of hours than their percentage of full-time appointment might dictate. Therefore, to qualify for premium category 3, part-time and seasonal employees must accumulate the larger of the number of hours obtained using the following two formulas:

$$\frac{80}{130} \times \text{number of hours of sick leave earned annually.}$$

OR

$$80 \times \text{percentage of full-time appointment.}$$

- **Permanent Plateaus** – Any insured employee who accumulates at least 520 hours of sick leave by the end of any calendar year is said to have reached a “permanent plateau” level. This means that once an employee has reached this level, future premiums will be determined using that category, even though later use of sick leave may cause the total to drop below that plateau. Continued accumulation of sick leave may move the employee to a higher premium category and premium rates would be based on the higher category. Permanent plateau premium categories are category 4, 5 and 6.

C. ELIMINATION PERIOD – UW FACULTY

Upon electing ICI coverage UW faculty are required to select an elimination period of 30, 90, 125, or 180 days, representing the minimum number of consecutive days that must elapse prior to qualifying for a disability benefit.

Employee contribution toward the ICI premium is made in accordance with the rates as shown in the tables within subchapters 401 and 402. The ICI premium rates are subject to annual revision. Any revision to standard ICI and supplemental ICI premium rates will be communicated to employers by means of an Employer Bulletin. The employee pays the entire supplemental ICI premium amount; there is no State share.

401 Employee Monthly Premium Rates – State Employees

MONTHLY EMPLOYEE STANDARD ICI PREMIUM RATES (State Employees Only)

(Effective 3/1/2005)

		PREMIUM CATEGORIES Determined by hours of accumulated sick leave					
BIWEEKLY SALARY	MONTHLY SALARY	1	2	3*	4	5	6
		0 hrs (under 23 days)	184 hrs (23-64 days)	80 hrs*	520 hrs (65-90 days)	728 hrs (91-130 days)	1040 hrs (over 130 days)
Up to \$230.33	Up to \$500.99	\$3.81	\$2.82	\$0.63	\$0.34	\$0.15	0.00
230.34 - 276.31	501 - 600.99	4.61	3.42	0.83	0.44	0.25	0.00
276.32 - 322.29	601 - 700.99	5.51	4.12	0.93	0.44	0.25	0.00
322.30 - 368.27	701 - 800.99	6.31	4.72	1.13	0.54	0.35	0.00
368.28 - 414.24	801 - 900.99	7.11	5.32	1.23	0.64	0.35	0.00
414.25 - 460.22	901 - 1,000.99	8.01	5.92	1.43	0.74	0.35	0.00
460.23 - 506.20	1,001 - 1,100.99	8.71	6.62	1.53	0.74	0.45	0.00
506.21 - 552.17	1,101 - 1,200.99	9.61	7.22	1.73	0.84	0.45	0.00
552.18 - 598.15	1,201 - 1,300.99	10.41	7.82	1.83	0.94	0.55	0.00
598.16 - 644.13	1,301 - 1,400.99	11.31	8.52	2.03	1.04	0.55	0.00
644.14 - 690.10	1,401 - 1,500.99	12.11	9.12	2.13	1.04	0.55	0.00
690.11 - 736.08	1,501 - 1,600.99	12.91	9.72	2.33	1.14	0.65	0.00
736.09 - 782.06	1,601 - 1,700.99	13.81	10.42	2.43	1.24	0.65	0.00
782.07 - 828.04	1,701 - 1,800.99	14.61	11.02	2.63	1.34	0.75	0.00
828.05 - 874.01	1,801 - 1,900.99	15.51	11.62	2.73	1.34	0.75	0.00
874.02 - 919.99	1,901 - 2,000.99	16.31	12.22	2.93	1.44	0.75	0.00
920.00 - 965.97	2,001 - 2,100.99	17.11	12.92	3.03	1.54	0.85	0.00
965.98 - 1,011.94	2,101 - 2,200.99	17.91	13.42	3.23	1.64	0.85	0.00
1,011.95 - 1,057.92	2,201 - 2,300.99	18.81	14.12	3.33	1.64	0.95	0.00
1,057.93 - 1,103.90	2,301 - 2,400.99	19.61	14.72	3.53	1.74	0.95	0.00
1,103.91 - 1,149.87	2,401 - 2,500.99	20.41	15.32	3.63	1.84	0.95	0.00
1,149.88 - 1,195.85	2,501 - 2,600.99	21.31	16.02	3.83	1.94	1.05	0.00
1,195.86 - 1,241.83	2,601 - 2,700.99	22.11	16.62	3.93	1.94	1.05	0.00
1,241.84 - 1,287.81	2,701 - 2,800.99	23.01	17.22	4.13	2.04	1.15	0.00
1,287.82 - 1,333.78	2,801 - 2,900.99	23.81	17.82	4.23	2.14	1.15	0.00
1,333.79 - 1,379.76	2,901 - 3,000.99	24.61	18.42	4.43	2.24	1.15	0.00
1,379.77 - 1,425.74	3,001 - 3,100.99	25.41	19.02	4.53	2.24	1.25	0.00
1,425.75 - 1,471.71	3,101 - 3,200.99	26.21	19.72	4.73	2.34	1.25	0.00
1,471.72 - 1,517.69	3,201 - 3,300.99	27.11	20.32	4.83	2.44	1.35	0.00
1,517.70 - 1,563.67	3,301 - 3,400.99	27.91	20.92	5.03	2.54	1.35	0.00
1,563.68 - 1,609.64	3,401 - 3,500.99	28.71	21.52	5.13	2.54	1.35	0.00
1,609.65 - 1,655.62	3,501 - 3,600.99	29.51	22.12	5.23	2.64	1.45	0.00
1,655.63 - 1,701.60	3,601 - 3,700.99	30.41	22.72	5.43	2.74	1.45	0.00
1,701.61 - 1,747.58	3,701 - 3,800.99	31.21	23.42	5.53	2.74	1.55	0.00
1,747.59 - 1,793.55	3,801 - 3,900.99	32.11	24.02	5.73	2.84	1.55	0.00
1,793.56 - 1,839.53	3,901 - 4,000.99	32.91	24.62	5.83	2.94	1.55	0.00
1,839.54 - 2,452.11	4,001 - 5,333.33	33.71	25.32	6.03	3.04	1.65	0.00

Category 3 is a special rate category which permits employees to qualify for employer contribution by accruing 80 hours of sick leave in the previous calendar year. Premium category 3 is also available to **part-time** employees on a prorated basis. For example, those employed on a half time basis only have to accumulate 40 hours (5 days) of sick leave in the prior year instead of the 80 hours (10 days) required for full time employees. This proration applies only to category 3.

MONTHLY EMPLOYEE SUPPLEMENTAL ICI PREMIUM RATES (State Employees Only)

(Effective 3/1/2005)

Note: The supplemental ICI premiums must be added to the standard ICI premiums to determine the total employee contribution.

		PREMIUM CATEGORIES Determined by hours of accumulated sick leave					
BIWEEKLY SALARY	MONTHLY SALARY	1	2	3	4	5	6
		0 hrs (under 23 days)	184 hrs (23-64 days)	80 hrs	520 hrs (65-90 days)	728 hrs (91-130 days)	1040 hrs (over 130 days)
2,452.12- 2,483.21	5,333.34- 5,400.99	\$0.60	\$0.50	\$0.40	\$0.20	\$0.10	\$0.20
2,483.22- 2,529.19	5,401.00- 5,500.99	1.70	1.20	1.00	0.60	0.50	0.60
2,529.20- 2,575.17	5,501.00- 5,600.99	2.60	2.00	1.40	1.00	0.80	1.00
2,575.18- 2,621.14	5,601.00- 5,700.99	3.60	2.80	2.00	1.40	1.20	1.20
2,621.15- 2,667.12	5,701.00- 5,800.99	4.70	3.50	2.50	1.80	1.40	1.60
2,667.13- 2,713.10	5,801.00- 5,900.99	5.60	4.20	3.00	2.20	1.80	1.90
2,713.11- 2,759.08	5,901.00- 6,000.99	6.60	5.00	3.60	2.60	2.00	2.20
2,759.09- 2,805.05	6,001.00- 6,100.99	7.70	5.80	4.10	3.00	2.40	2.50
2,805.06- 2,851.03	6,101.00- 6,200.99	8.60	6.50	4.70	3.40	2.80	2.90
2,851.04- 2,897.01	6,201.00- 6,300.99	9.60	7.30	5.20	3.70	3.10	3.10
2,897.02- 2,942.98	6,301.00- 6,400.99	10.70	8.00	5.80	4.10	3.40	3.50
2,942.99- 2,988.96	6,401.00- 6,500.99	11.60	8.80	6.20	4.60	3.70	3.80
2,988.97- 3,034.94	6,501.00- 6,600.99	12.60	9.60	6.80	4.90	4.00	4.20
3,034.95- 3,080.91	6,601.00- 6,700.99	13.70	10.30	7.30	5.30	4.30	4.40
3,080.92- 3,126.89	6,701.00- 6,800.99	14.60	11.00	7.80	5.60	4.70	4.80
3,126.90- 3,172.87	6,801.00- 6,900.99	15.60	11.80	8.40	6.10	5.00	5.20
3,172.88- 3,218.85	6,901.00- 7,000.99	16.70	12.60	8.90	6.50	5.30	5.40
3,218.86- 3,264.82	7,001.00- 7,100.99	17.60	13.30	9.50	6.80	5.60	5.80
3,264.83- 3,310.80	7,101.00- 7,200.99	18.60	14.00	10.00	7.30	5.90	6.10
3,310.81- 3,356.78	7,201.00- 7,300.99	19.70	14.90	10.60	7.70	6.20	6.40
3,356.79- 3,402.75	7,301.00- 7,400.99	20.60	15.60	11.00	8.00	6.60	6.70
3,402.76- 3,448.73	7,401.00- 7,500.99	21.60	16.30	11.60	8.40	7.00	7.10
3,448.74- 3,494.71	7,501.00- 7,600.99	22.70	17.00	12.10	8.80	7.20	7.40
3,494.72- 3,540.69	7,601.00- 7,700.99	23.60	17.90	12.70	9.20	7.60	7.70
3,540.70- 3,586.66	7,701.00- 7,800.99	24.60	18.60	13.20	9.60	7.80	8.00
3,586.67- 3,632.64	7,801.00- 7,900.99	25.70	19.30	13.80	10.00	8.20	8.40
3,632.65- 3,678.62	7,901.00- 8,000.99	26.60	20.20	14.30	10.30	8.50	8.60
3,678.63- 3,724.59	8,001.00- 8,100.99	27.60	20.90	14.90	10.80	8.90	9.00
3,724.60- 3,770.57	8,101.00- 8,200.99	28.70	21.60	15.40	11.20	9.10	9.40
3,770.58- 3,816.55	8,201.00- 8,300.99	29.60	22.40	16.00	11.50	9.50	9.60
3,816.56- 3,862.52	8,301.00- 8,400.99	30.60	23.20	16.40	12.00	9.80	10.00
3,862.53- 3,908.50	8,401.00- 8,500.99	31.70	23.90	16.90	12.40	10.10	10.30
3,908.51- 3,954.48	8,501.00- 8,600.99	32.60	24.60	17.50	12.70	10.40	10.60
3,954.49- 4,000.46	8,601.00- 8,700.99	33.60	25.40	18.00	13.10	10.80	10.90
4,000.47- 4,046.43	8,701.00- 8,800.99	34.70	26.20	18.60	13.40	11.00	11.30
4,046.44- 4,092.41	8,801.00- 8,900.99	35.60	26.90	19.10	13.90	11.40	11.60
4,092.42- 4,138.39	8,901.00- 9,000.99	36.60	27.70	19.70	14.30	11.80	11.90
4,138.40- 4,184.36	9,001.00- 9,100.99	37.70	28.40	20.20	14.60	12.00	12.20
4,184.37- 4,230.34	9,101.00- 9,200.99	38.60	29.20	20.60	15.00	12.40	12.60
4,230.35- 4,276.32	9,201.00- 9,300.99	39.60	30.00	21.20	15.50	12.70	12.80
4,276.33- 4,322.29	9,301.00- 9,400.99	40.60	30.70	21.70	15.80	13.00	13.20
4,322.30- 4,368.27	9,401.00- 9,500.99	41.60	31.40	22.30	16.20	13.30	13.60
4,368.28- 4,414.25	9,501.00- 9,600.99	42.60	32.20	22.80	16.70	13.70	13.80
4,414.26- 4,460.23	9,601.00- 9,700.99	43.60	33.00	23.40	17.00	13.90	14.20
4,460.24- 4,506.20	9,701.00- 9,800.99	44.60	33.70	23.90	17.40	14.30	14.50
4,506.21- 4,552.18	9,801.00- 9,900.99	45.60	34.40	24.50	17.80	14.60	14.90
4,552.19- and over	9,901.00- and over	46.60	35.30	25.00	18.10	14.90	15.10

402 Employee Monthly Premium Rates – UW Faculty

**MONTHLY EMPLOYEE STANDARD ICI PREMIUM RATES
(UW Faculty Only)**

(Effective 3/1/2005)

MONTHLY SALARY RANGE	PREMIUM CATEGORY - ELIMINATION PERIOD (In calendar days)				
	30 Days	90 Days	125 Days	180 Days	STATE SHARE
Up to \$500.99	\$2.07	\$0.58	\$0.39	-0-	\$1.29
501 - 600.99	2.57	0.68	0.49	-0-	1.49
601 - 700.99	2.97	0.78	0.59	-0-	1.79
701 - 800.99	3.47	0.88	0.69	-0-	2.09
801 - 900.99	3.97	1.08	0.79	-0-	2.29
901 - 1,000.99	4.37	1.18	0.89	-0-	2.59
1,001 - 1,100.99	4.77	1.28	0.99	-0-	2.89
1,101 - 1,200.99	5.27	1.38	1.09	-0-	3.09
1,201 - 1,300.99	5.77	1.58	1.19	-0-	3.39
1,301 - 1,400.99	6.17	1.58	1.19	-0-	3.69
1,401 - 1,500.99	6.67	1.78	1.29	-0-	3.89
1,501 - 1,600.99	7.07	1.88	1.39	-0-	4.19
1,601 - 1,700.99	7.57	1.98	1.49	-0-	4.49
1,701 - 1,800.99	8.07	2.18	1.59	-0-	4.69
1,801 - 1,900.99	8.47	2.18	1.69	-0-	4.99
1,901 - 2,000.99	8.97	2.38	1.79	-0-	5.29
2,001 - 2,100.99	9.47	2.48	1.89	-0-	5.59
2,101 - 2,200.99	9.87	2.58	1.89	-0-	5.79
2,201 - 2,300.99	10.37	2.68	1.99	-0-	6.09
2,301 - 2,400.99	10.87	2.88	2.19	-0-	6.29
2,401 - 2,500.99	11.27	2.98	2.19	-0-	6.59
2,501 - 2,600.99	11.77	3.08	2.29	-0-	6.89
2,601 - 2,700.99	12.17	3.18	2.39	-0-	7.19
2,701 - 2,800.99	12.67	3.28	2.49	-0-	7.39
2,801 - 2,900.99	13.17	3.48	2.59	-0-	7.69
2,901 - 3,000.99	13.57	3.58	2.69	-0-	7.89
3,001 - 3,100.99	13.97	3.68	2.69	-0-	8.19
3,101 - 3,200.99	14.47	3.78	2.89	-0-	8.49
3,201 - 3,300.99	14.87	3.88	2.89	-0-	8.79
3,301 - 3,400.99	15.37	3.98	2.99	-0-	8.99
3,401 - 3,500.99	15.77	4.08	3.09	-0-	9.29
3,501 - 3,600.99	16.27	4.28	3.19	-0-	9.49
3,601 - 3,700.99	16.67	4.38	3.29	-0-	9.79
3,701 - 3,800.99	17.17	4.48	3.39	-0-	10.09
3,801 - 3,900.99	17.57	4.58	3.39	-0-	10.39
3,901 - 4,000.99	18.07	4.68	3.59	-0-	10.59
4,001 - 5,333.33	18.57	4.88	3.69	-0-	10.89

Subject to Wis. Stat., § 40.05 (5) (a), this table applies to UW faculty who have one or more years of State creditable service. Employees who have less than one year of State creditable service are required to pay the State share in addition to the employee premium.

MONTHLY EMPLOYEE SUPPLEMENTAL PREMIUM RATES (UW Faculty Only)

(Effective 3/1/2005)

Note: The supplemental ICI premiums must be added to the standard ICI premiums to determine the total employee contribution.

MONTHLY SALARY RANGE	PREMIUM CATEGORY - ELIMINATION PERIOD (In calendar days)				
	30 Days	90 Days	125 Days	180 Days	STATE SHARE
5,333.34- 5,400.99	\$0.60	\$0.40	\$0.40	\$0.20	0.00
5,401.00- 5,500.99	1.60	0.80	0.70	0.50	0.00
5,501.00- 5,600.99	2.40	1.30	1.20	0.80	0.00
5,601.00- 5,700.99	3.20	1.80	1.70	1.20	0.00
5,701.00- 5,800.99	4.10	2.20	2.00	1.40	0.00
5,801.00- 5,900.99	5.00	2.60	2.50	1.80	0.00
5,901.00- 6,000.99	5.90	3.10	2.90	2.20	0.00
6,001.00- 6,100.99	6.70	3.60	3.40	2.40	0.00
6,101.00- 6,200.99	7.60	4.10	3.80	2.80	0.00
6,201.00- 6,300.99	8.50	4.60	4.20	3.10	0.00
6,301.00- 6,400.99	9.40	5.00	4.70	3.40	0.00
6,401.00- 6,500.99	10.20	5.40	5.00	3.70	0.00
6,501.00- 6,600.99	11.00	5.90	5.50	4.10	0.00
6,601.00- 6,700.99	12.00	6.40	6.00	4.30	0.00
6,701.00- 6,800.99	12.80	6.80	6.40	4.70	0.00
6,801.00- 6,900.99	13.70	7.30	6.80	5.00	0.00
6,901.00- 7,000.99	14.50	7.80	7.20	5.30	0.00
7,001.00- 7,100.99	15.50	8.20	7.70	5.60	0.00
7,101.00- 7,200.99	16.30	8.60	8.20	6.00	0.00
7,201.00- 7,300.99	17.20	9.10	8.50	6.20	0.00
7,301.00- 7,400.99	18.00	9.60	9.00	6.60	0.00
7,401.00- 7,500.99	19.00	10.10	9.40	7.00	0.00
7,501.00- 7,600.99	19.80	10.60	9.80	7.20	0.00
7,601.00- 7,700.99	20.60	11.00	10.30	7.60	0.00
7,701.00- 7,800.99	21.50	11.40	10.70	7.90	0.00
7,801.00- 7,900.99	22.40	11.90	11.20	8.20	0.00
7,901.00- 8,000.99	23.30	12.40	11.50	8.50	0.00
8,001.00- 8,100.99	24.10	12.80	12.00	8.90	0.00
8,101.00- 8,200.99	25.00	13.30	12.50	9.10	0.00
8,201.00- 8,300.99	25.90	13.80	12.80	9.50	0.00
8,301.00- 8,400.99	26.80	14.30	13.30	9.80	0.00
8,401.00- 8,500.99	27.60	14.60	13.70	10.10	0.00
8,501.00- 8,600.99	28.40	15.10	14.20	10.40	0.00
8,601.00- 8,700.99	29.40	15.60	14.60	10.80	0.00
8,701.00- 8,800.99	30.20	16.10	15.00	11.00	0.00
8,801.00- 8,900.99	31.10	16.60	15.50	11.40	0.00
8,901.00- 9,000.99	31.90	17.00	15.80	11.80	0.00
9,001.00- 9,100.99	32.90	17.40	16.30	12.00	0.00
9,101.00- 9,200.99	33.70	17.90	16.80	12.40	0.00
9,201.00- 9,300.99	34.60	18.40	17.20	12.70	0.00
9,301.00- 9,400.99	35.40	18.80	17.60	13.10	0.00
9,401.00- 9,500.99	36.20	19.30	18.00	13.30	0.00
9,501.00- 9,600.99	37.20	19.80	18.50	13.70	0.00
9,601.00- 9,700.99	38.00	20.30	19.00	14.00	0.00
9,701.00- 9,800.99	38.90	20.60	19.30	14.30	0.00
9,801.00- 9,900.99	39.70	21.10	19.80	14.60	0.00
9,901.00- and over	40.70	21.60	20.20	15.00	0.00

403 Calculating Employer Premium Share

The State of Wisconsin provides contributions toward standard ICI premiums. The employee pays the entire premium for supplemental ICI coverage.

- **State Employees – Employer Share**

For State employees, eligibility for State premium share requires that the employee accumulate sufficient sick leave by the last payroll period in the prior calendar year to qualify for premium categories 3 through 6. The State's share of the premium is computed by multiplying a percentage factor times the employee premium. The percentage factors are as follows:

<u>Premium Category</u>	<u>State Contribution Percentage Factor</u>
1	No State share – Employee pays all
2	No State share – Employee pays all
3	200% x Employee contribution
4	340% x Employee contribution
5	570% x Employee contribution
6	State pays entire premium

- **UW Faculty – Employer Share**

For UW faculty, employer premium share is based on a percentage of the employee's average monthly earnings in the prior year (or projected average monthly earnings for those employees noted in subchapter 400) and the employee's selected elimination period. No State share toward the ICI premium is made for UW faculty with less than one year of State WRS creditable service. The percentage factors are as follows:

<u>Elimination Period</u>	<u>State Contribution Percentage Factor</u>
30 days	59% x Employee contribution
90 days	226% x Employee contribution
125 days	301% x Employee contribution
180 days	State pays entire premium

404 Annual Premium Update

Employers are required to review their employees' ICI coverage and complete the annual ICI premium updates in January for an effective date of February 1, 2005. These updates reflect basic salary (excluding overtime) and accumulated sick leave in the last complete payroll period in the previous calendar year.

Premium category (1, 2, 3, 4, 5, or 6) is based on the employee's accumulated sick leave hours credited as of the last complete payroll period in the previous calendar year. Monthly or biweekly salary is based on the last complete payroll period in the previous calendar year for most employees.

The annual premium update for an employee who is a project, limited term employee or employed on a seasonal or academic year appointment of less than 12 calendar months, is based on WRS-reported earnings from the previous calendar year, rounded to the next higher thousand and divided by twelve. If such an employee is newly hired, or if there has been a break in service of more than three consecutive months, you must estimate the project, limited term, seasonal or academic earnings to be received during the next 12 months. Then, round these earnings to the next higher thousand and divide by 12 to determine the monthly basis for earnings and premiums.

Premiums should be deducted from the employee's paycheck in February. Remittance reports are due in March for April coverage.